

GEELY

**吉利汽車控股有限公司**

**GEELY AUTOMOBILE HOLDINGS LIMITED**

**Corporate Presentation**

October 2015

[www.geelyauto.com.hk](http://www.geelyauto.com.hk)

# Sales Performance

First Nine Months in 2015

**Overall:** 355,363 units, +30% YoY  
**Domestic:** 332,304 units +47% YoY  
**Exports:** 23,059 units -52% YoY

A-segment Sedans  
 (EC7+New Emgrand+GC7+SC7+Vision)

**225,625 units +60% YoY**



SUVs (GX7+SX7+GX9)

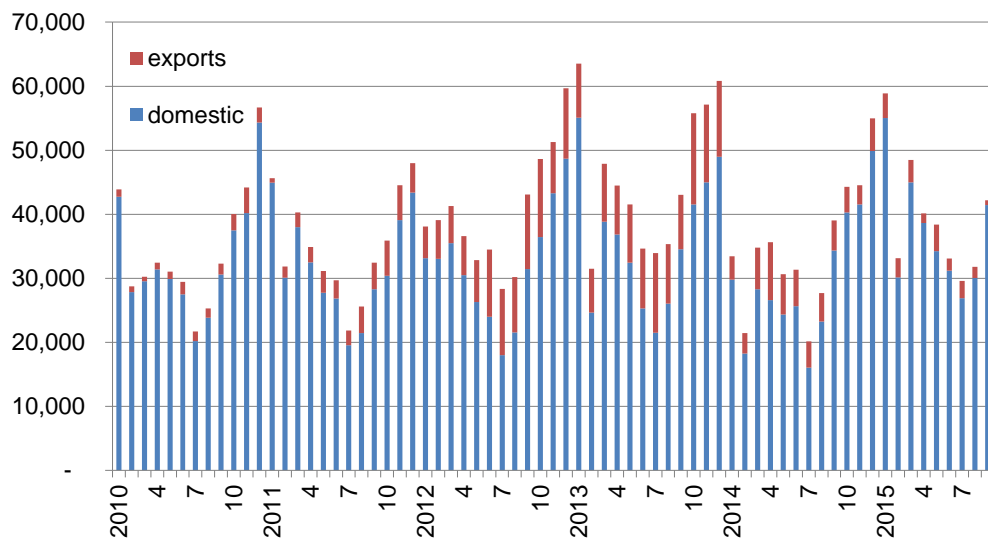
**46,025 units +5% YoY**



# Sales Performance

## First Nine Months in 2015

Monthly Sales Volume



KingKong

(42,144 units -10%YoY)



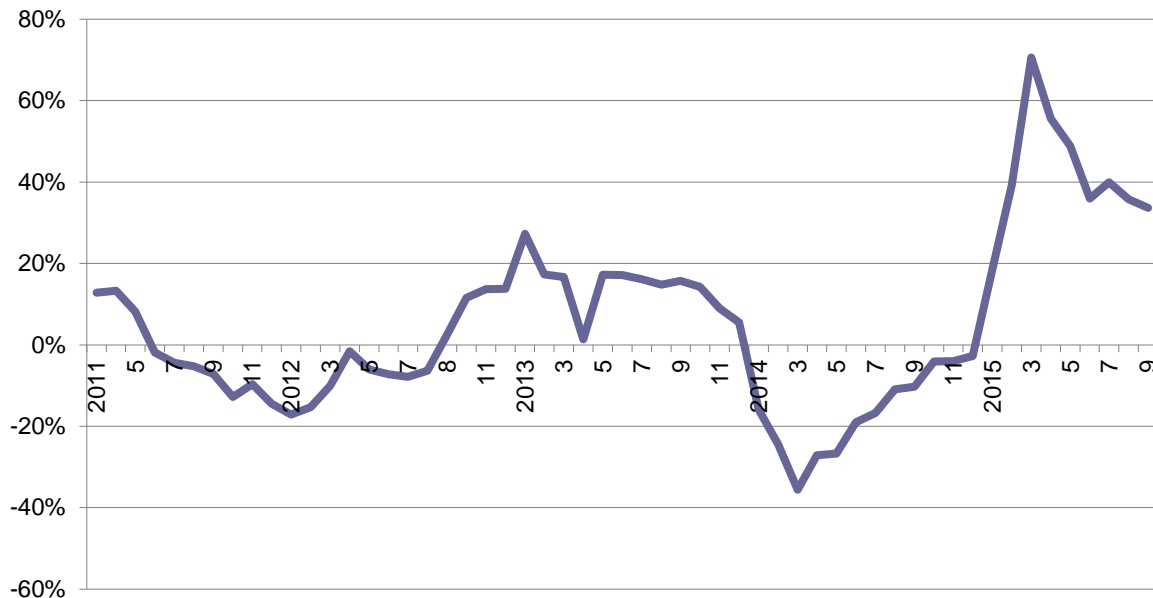
Vision

(78,390 units +649%YoY)

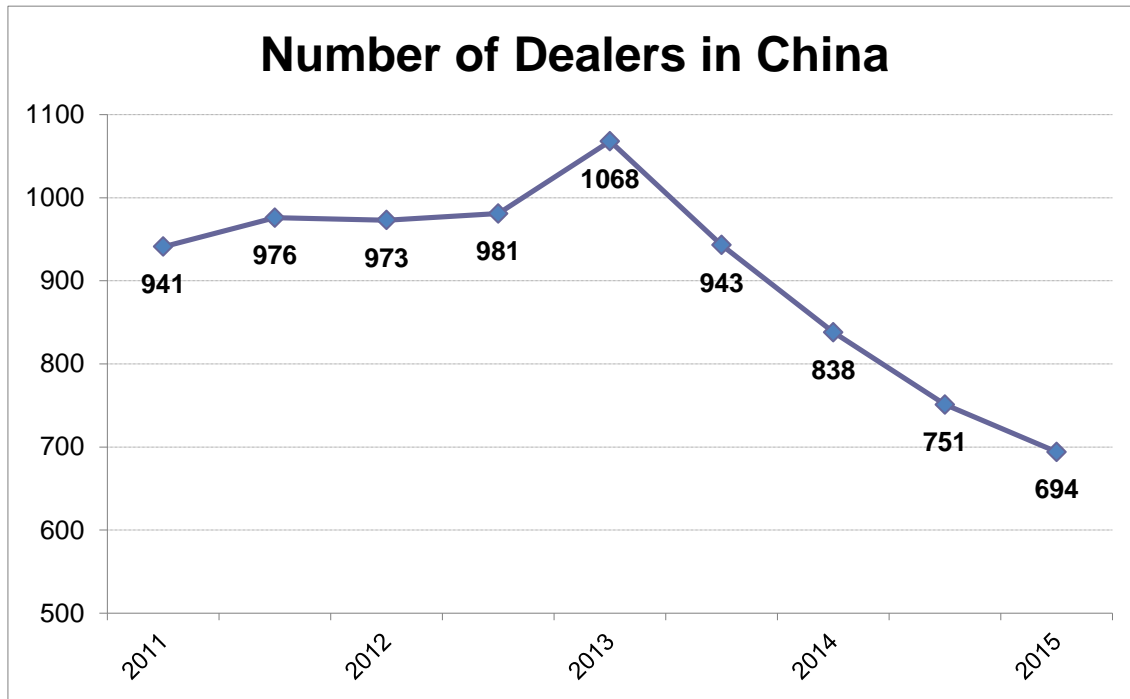
# Domestic Market

- Sales volume in China fell 17% in 2014 due to the reshuffle of the sales and marketing system and the major model upgrading cycle, but started to recover since mid-2014
- Sales volume so far in 2015 was boosted by the good response to new models like New Emgrand, New Vision and GC9.

Domestic Sales Volume (3MMA+/-%)



# Dealer/Brand Restructuring

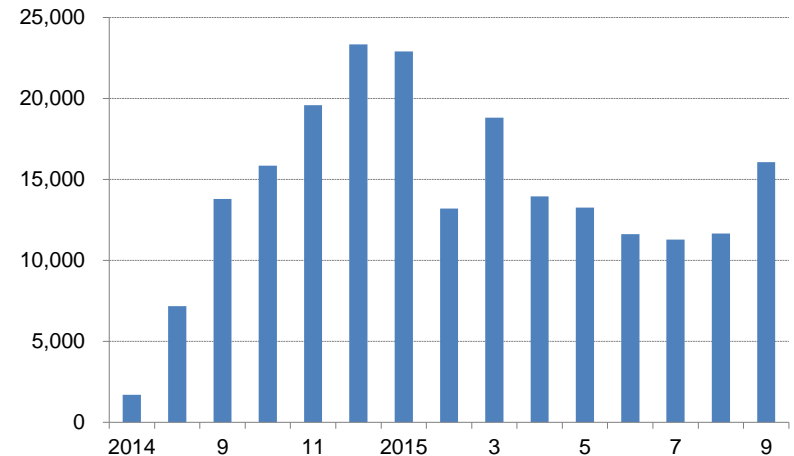


# New Product – New Emgrand



- Enhanced safety & comfort
- New turbo engines with larger power & better fuel efficiency
- New 6-speed manual gearbox
- NVH noise cancellation technology
- Enhanced storage space
- Bosch's V9.0 ABS+EBD
- HHC (Hill Hold Control)
- ESC (Electronic Stability Control)
- G-Netlink infotainment system with voice control
- G-Link mobile connectivity system

Monthly Sales Volume of New Emgrand

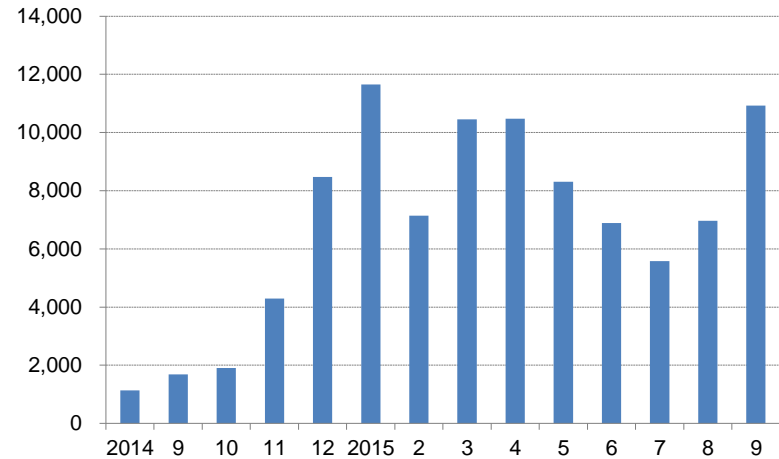




# New Product – New Vision



Monthly Sales Volume of Vision



- **Enhanced safety & comfort**
- **More efficient turbo engines**
- **New 6-speed manual gearbox**
- **360° 3-sensor parking assist system**
- **PEPS (Passive Entry/Passive Start)**
- **NVH noise cancellation technology**
- **4 Wheel Disc Brakes**
- **Bosch's V9.0 ABS+EBD**
- **Enhanced storage space**
- **G-Link mobile connectivity system**

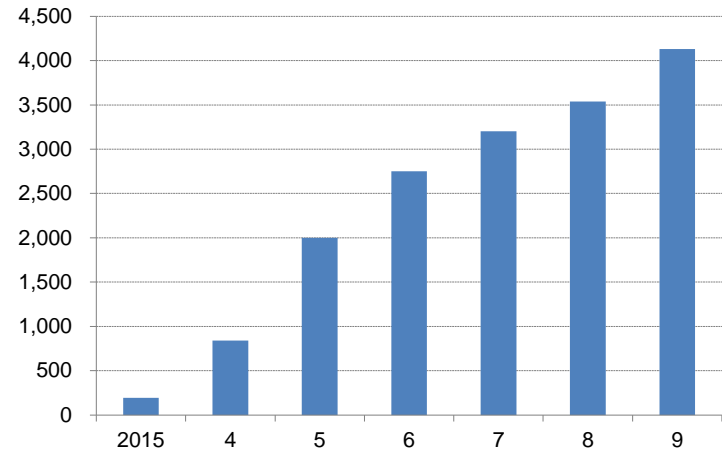


# New Product – GC9



- New brand image, market positioning & design philosophy
- New 1.8T and 3.5L V6 engines
- Fastback & sporty design
- Top international suppliers
- New manufacturing facilities
- Harman Infinity@ Entertainment
- City Safety, ACC Cruising, PAS Parking, LDW Alert, HUD Display, EPB Brake & AQS Air Quality Control

Monthly Sales Volume of GC9





# Other New Products

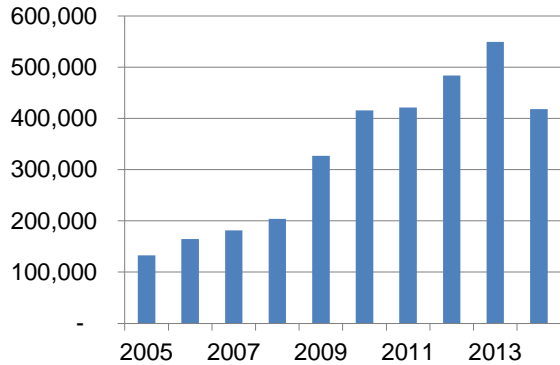
- **GC9 B-segment Sedans (launched)**
  - **Emgrand Electric Vehicles (2H 2015)**
  - **Emgrand SUVs (end 2015)**
  - **Compact SUVs (2016)**
  - **Emgrand Cross Vehicles (2016)**
  - **Emgrand 4-door Sedans (2016)**
- + upgraded versions of SC7, GC7, Kingkong, Geely Panda

**2015 Sales Target at 450,000 units, up 8% YoY**

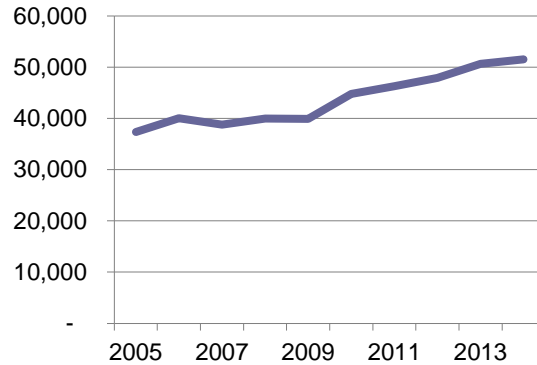


# Financial Performance

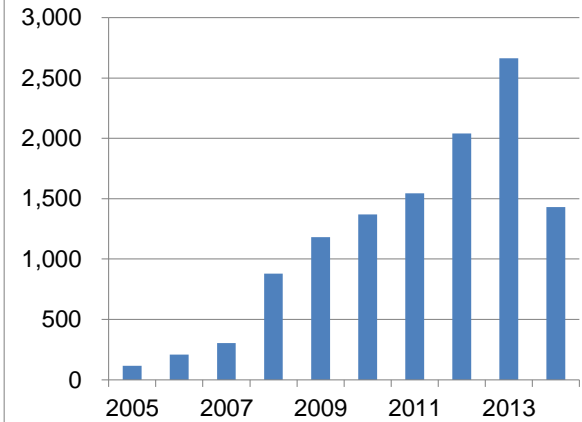
### Annual Sales Volume



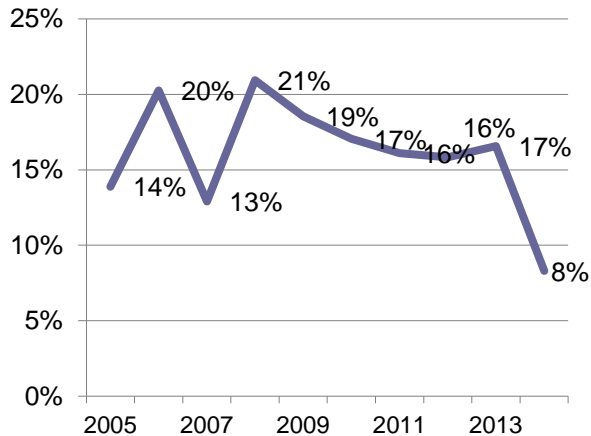
### Average Ex-factory Price



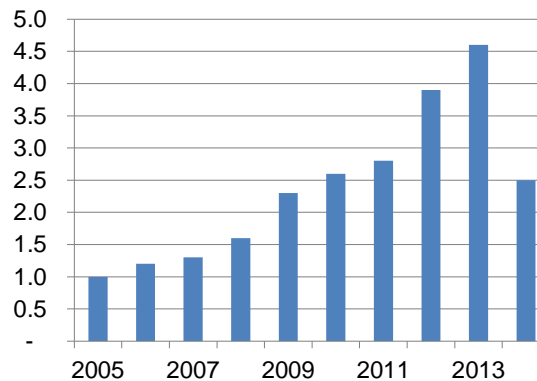
### Net Profit



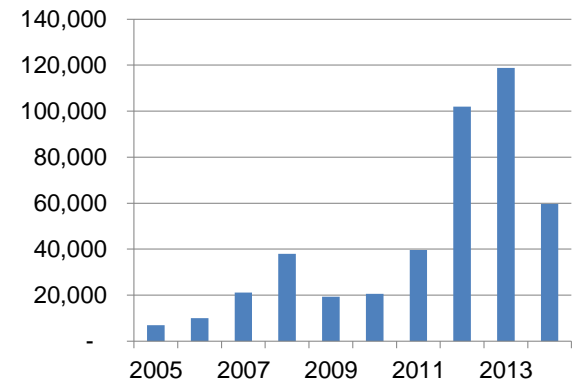
### Return on Equity



### Cash Dividend Per Share (HK Cents)



### Export Sales Volume



## 2015 Interim Results

6M to June (RMB m)	2015	2014	YoY change
Sales volume (units)	252,107	187,296	+35%
Turnover/Revenue	13,121	10,158	+29%
Gross profit margin ratio*	18.6%	20.3%	-9%
Operating margin ratio**	13.3%	14.4%	-8%
Profit after tax	1,420	1,126	+26%
Attributable profit	1,405	1,113	+26%
Diluted EPS (RMB cents)#	15.90	12.65	+26%

	<u>June-2015</u>	<u>Dec-2014</u>	
Shareholders' equity	18,544	17,288	+7%
Net cash##	5,781	4,739	+22%

\* Gross profit margin ratio = gross profit / turnover

\*\* Operating margin ratio = (pre-tax margin before net finance costs, share-based payments and share of results of associates and joint venture) / turnover

# Diluted EPS = profit attributable to equity holders of the Company (diluted) / weighted average number of ordinary shares (diluted)

## Net cash = all cash / bank deposits – all bank borrowings – senior notes

# Strategy

Products	<ul style="list-style-type: none"><li>• Platform and modular architecture;</li><li>• Focus on powertrain technology;</li><li>• In-house international design capabilities;</li><li>• Joint product architecture with Volvo Car;</li><li>• Gradual transition from hybrid to pure electric;</li><li>• Partnership to speed up electrification offerings;</li><li>• Strategic alliance to upgrade technologies</li></ul>
Services	<ul style="list-style-type: none"><li>• 694 dealers in China;</li><li>• 31 sales agents, 464 sales and service outlets in 31 oversea countries;</li><li>• Vehicle finance JV with BNP Paribas Personal Finance</li></ul>
Branding	<ul style="list-style-type: none"><li>• 3-year transition period from three brands to single brand;</li><li>• Single brand for export markets</li></ul>

# Customer Service Satisfaction



## J.D.Power Asia Pacific 2015 China Customer Service Index (CSI) Study<sup>SM</sup>

Brand	Points#	Overall Rank	Sector Rank*
Geely	715	13	5
Mass Market Average	664		

# based on a 1,000-point scale and study of 68 passenger vehicle brands in China

\* ranking amongst Chinese domestic brands

Source: J.D.Power Asia Pacific 2015 China Customer Service Index (CSI) Study<sup>SM</sup>

# Vehicle Quality, Attractiveness, Dependability



**J.D.Power Asia Pacific 2014 China**  
**Initial Quality Study<sup>SM</sup> (IQS)**  
**Automotive Performance, Execution & Layout (APEAL) Study<sup>SM</sup>**  
**Vehicle Dependability Study<sup>SM</sup> (VDS)**

Study	Segment	Model	Segment Rank
IQS#	Compact	Free Cruiser	3
APEAL*	Compact	Free Cruiser	1
VDS^	Compact	Geely Kingkong	1

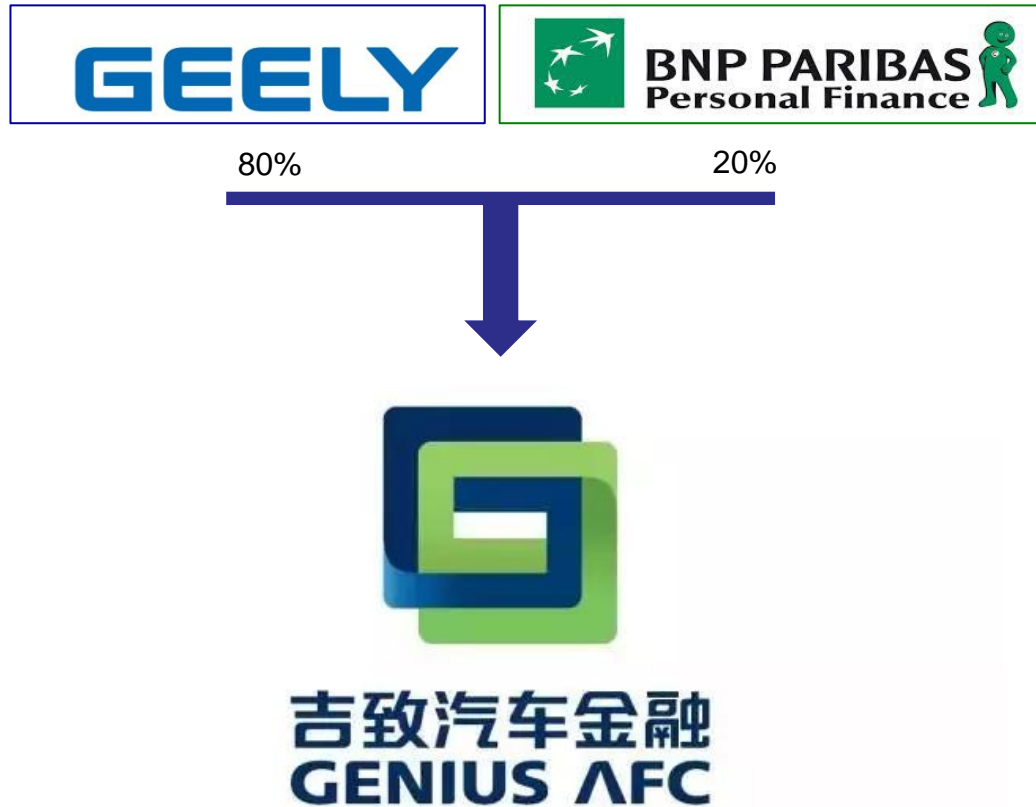
# based on evaluations from 21,311 owners of new vehicles purchased between October 2013 and June 2014, including 212 different models from 62 different brands;

\* based on evaluations from 20,731 owners of new vehicles purchased between October 2013 and June 2014, including 212 different models from 62 different brands;

^ based on evaluations from 17,054 owners of vehicle purchased between June 2010 and August 2011, including 155 different models from 55 different brands



# Auto Finance Joint Venture



- Located in Shanghai
- RMB900m registered capital
- Wholesales financing solutions to dealers
- Retail financing solutions to end-customers
- Focusing on Tier-1 & -2 cities initially
- Supporting both Geely and Volvo Car brands
- Progressively covering the whole China market

# New Energy Vehicles



JL7001BEV



KD-5011



Zhidou

Partnership to Speed up Electrification Offerings

Kandi JV  
Xindayang JV

Gradual Transition from Hybrid to Pure Electric



EC7 - EV

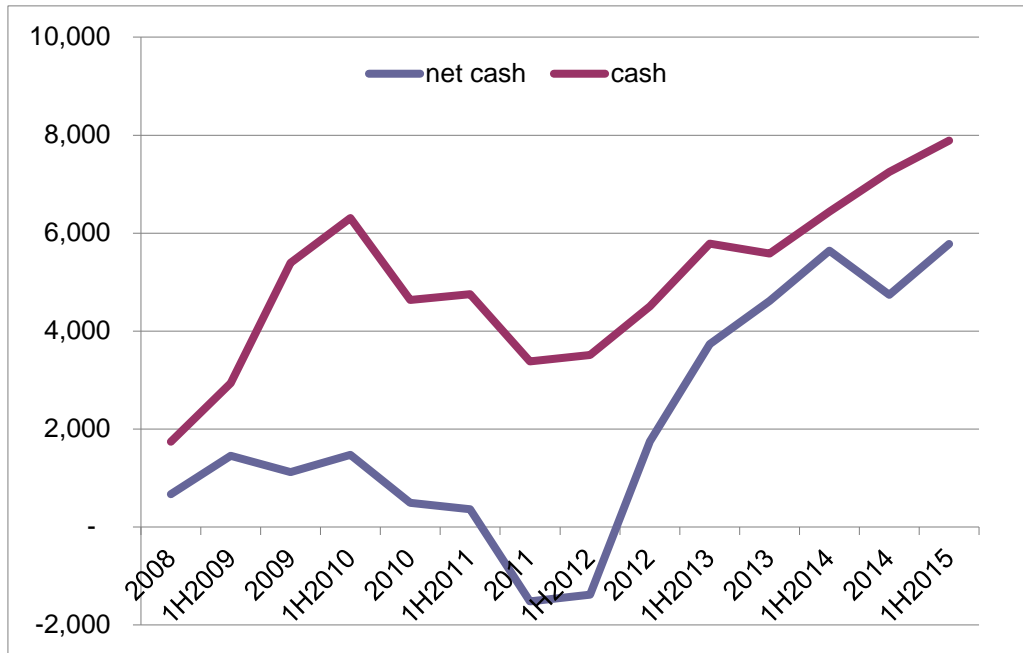


EC7 - Petro Hybrid



Emgrand Cross Plug-in Hybrid

# Balance Sheet



- Issue of US\$300M 5.25% 5-year senior notes to reduce funding costs and widen funding sources
- Asset disposals to optimize asset size and improve operating efficiency
- Intangible assets up 8% in 1H2015 due to continued investments in R&D
- Total cash level reached record high at the end of June 2015

## Outlooks

- Restructuring of dealer network has strengthened our execution capability in delivering quality services and products to customers
- Cooperation with Volvo Car has helped to narrow brand, technology and service quality gap with international players
- Product offerings should be further enhanced by upgrading of existing platform and adoption of modular architectures from 2016
- At least five brand new models over the next 12 months
- Maintain overall sales volume growth target at 8% YoY in 2015

# Geely Automobile in Figures

<b>Year started:</b>	1998
<b>Total workforce:</b>	19,217 (on 30/6/2015)
<b>Manufacturing facilities:</b>	7 plants in China + 1 JV plant in Belarus + 1 JV plant in Uruguay
<b>Products:</b>	13 major models under 5 platforms
<b>Distribution network:</b>	694 dealers in China; 31 sales agents, 464 sales and service outlets in 31 oversea countries
<b>2014 sales volume:</b>	417,851 units (86% in China market)
<b>2014 revenues:</b>	US\$3.5 billion
<b>Market Capitalization:</b>	US\$4.4 billion (12 October 2015)

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